

It became apparent that there are some anomalies in the allowance system. These often arise in the case of self-employed persons who may take training during periods of the year when they cannot work at their regular employment. The example of the full-time farmer was cited. The Committee was told the Division is reviewing the policy regarding training allowances for self-employed people, as well as the allowance structure generally. The Director-General of Training explained:

The rationale for our allowance system is not too clear, as to whether it is a question of a training incentive, or if it is an income maintenance allowance, or what exactly is the nature of this program. We are not satisfied with it at all, on any ground, so we are looking for an improvement in this area. (9:25)

In view of the fact that the allowances given to trainees absorb such a high percentage of the total amount spent on training it is important that they do in fact provide more than income maintenance. Otherwise the training function is not being served. They are not a substitute support payment. They are provided to ensure that the trainee will complete the course of study which will improve his employability.

A problem arises in connection with the provision of training allowances to some disadvantaged trainees. In many provinces federal training objectives are thwarted by provincial regulations. Substitution of the training allowance for the welfare allowance results in the loss of other forms of provincial support like free medical and dental services. This discourages a number of welfare recipients from undergoing training which might make them self-sufficient.

**Allowances to support trainees are an integral part of the CMTP. They are provided to encourage trainees to complete the course of studies intended to improve their employability. Referrals to training should therefore only be made on that basis. The training allowance should not be used to provide a temporary substitute for other forms of maintenance.**

**The Committee urges the Division through its representatives on the Manpower Needs Committees to seek modifications of any provincial welfare regulations which inhibit participation in courses offered under the Canada Manpower Training Program.**

#### **The Newfoundland Pilot Project**

On several occasions during the hearings the officials of the Division referred to a joint training project developed by the Unemployment Insurance Commission and the Division being tested as a pilot project in Newfoundland over a two year period to end in 1976. It is described by the Division:

In cooperation with UIC to utilize insurance funds for the purpose of providing training in shortage occupations to unemployed clients in Newfoundland and to experiment with a more constructive use of UIC funds. (9:23)

A recipient of unemployment insurance who agrees to attend courses to upgrade his skills or to open a new avenue of employment, receives income